



OFFICE OF THE CITY MANAGER

July 1, 2020

MME Pasadena Retail, Inc.
Geoff Whitehouse
11015 Jefferson Boulevard
Culver City, CA 90232

Re: Review Of Application For Change Of Control

Dear Mr. Whitehouse:

The City of Pasadena recently received allegations and supporting evidence that MedMen had undergone a change of ownership and/or management such that the evaluation and scoring of MedMen's initial application might no longer be valid. Those allegations and supporting evidence are attached to this letter as Exhibit "A." The City requested an independent review of those allegations, the results of which are attached to this letter as Exhibit "B." On June 30, 2020, the City received additional allegations, attached to this letter as Exhibit "C."

A material change in either ownership or management during the permitting process would undermine the legislative intent in PMC Section 5.78.080.C where qualities specific to both were evaluated and directly impacted the scoring and ranking of permittees as part of the selection process. It was made clear during the process that the evaluation and final interview was to be of the actual team to be working in Pasadena. As a matter of equity to all applicants, allegations of a material change in ownership and/or management should be evaluated.

The City has established Procedures for Review of Change of Ownership and/or Management of Cannabis Businesses (During Permitting Process Only) and published those on its cannabis webpage. A copy of those procedures is attached hereto as Exhibit "D."

Pursuant to these Procedures, this is notice that the City Manager has reviewed the allegations and evidence regarding MedMen's change of ownership and/or management, and believes that the changes at MedMen appear to be material and to rise to the level of a change of control.

The purpose of this letter is to inform MedMen that it has an opportunity to rebut such evidence, and/or offer evidence of no change of control within 10 days of this written notice to the City

Manager. At that time MedMen may also request that the City Manager conduct a review of all evidence in the presence of representatives of MedMen.

Within 10 days of review of all evidence, the City Manager will issue a decision in writing as to whether or not any change in ownership and/or management is a change of control. If the City Manager finds there was a change of control, MedMen shall lose the right to proceed through the cannabis permitting process and its application will be rejected. Any decision of the City Manager shall be final and there shall be no appeal therefrom.

Please let us know how MedMen would like to proceed.

Regards,

A handwritten signature in blue ink, appearing to read 'Nicholas Rodriguez', with a stylized flourish extending to the right.

Nicholas Rodriguez
Assistant City Manager

0000162073C031

EXHIBIT A



Dear Members of the City of Pasadena Planning Commission:

This letter sets forth Sweet Flower Pasadena, LLC's ("Sweet Flower") objections to the Planning Commission's consideration for approval of MME Pasadena Retail, Inc.'s ("MedMen") Conditional Use Permit No. 6788. Sweet Flower requests that the Planning Commission incorporate this letter, as part of the record of the proceedings.

- (1) The location is non-compliant with the distance separation requirements to sensitive receptors as defined in the Pasadena Municipal Code and is not permitted.**

Pasadena Municipal Code Section 17.S0.066.D.S(d) states

"No retailer shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any childcare center, in-home (family day care home), youth-oriented facility, church or faith congregation, **or substance abuse center;**" (emphasis added)

The Arroyos Treatment Centers is a mental health clinic located virtually across the street, 120' from MedMen's proposed location, at 1 W California Blvd. in Pasadena. It describes its mission as:

"Our mission is to bring hope and empowerment to patients and their families as they overcome primary psychological disorders, with or without **co-occurring substance abuse problems**. We offer outpatient psychological and psychiatric services and a Primary Mental Health Intensive Outpatient Program (IOP). We specialize in treating bipolar disorder, depression, anxiety disorders, obsessive-compulsive disorder, psychotic disorders, ADHD, **secondary substance abuse disorders, and more**. Please visit our website to learn more about us." (emphasis added).

The language of the ordinance is unambiguous. The Arroyos Treatment Center list of services includes among other sensitive services, treatment of "**substance abuse disorders**". This is exactly the type of sensitive receptor the ordinance and the voters wanted to avoid. Nevertheless, the staff report is completely devoid of any mention of the Arroyo Treatment Center.

MedMen's proposed location is non-compliant. The Planning Commission should deny the CUP on this basis alone.

- (2) The CUP application made by Medmen in September 2019 is materially inaccurate.**

MedMen first identified its ownership and management in its January 2019 screening application. Then, in MedMen's September 2019 CUP application, MedMen's then-CEO, Adam Bierman, explicitly acknowledged to City staff that all of the following individuals, each previously listed as an "owner" in MedMen's original application had since resigned from or been severed by MedMen:

- former Senior Vice President of Human Resources, Clarence E. Foster



- former General Counsel, Lisa D. Sergi
- former Chief Operating Officer, Benjamin E. Cook
- former Chief Marketing Officer, David Dancer
- former Senior Vice President of Supply Chain, Ruchi Birdi

Since September 2019, the following individuals named in either MedMen's original application or purportedly later added by MedMen to its September CUP application have also resigned from or been severed by MedMen:

- former Vice President of Compliance, Eduard Linetskiy
- former Chief Financial Officer, Michael Kramer

A third named individual, then-President, Andrew Modlin, **no longer serves as President**, and has surrendered his voting shares¹. And most notably, **their Chief Executive Officer, Adam Bierman, has since resigned**².

Of the *five* individuals who attended the initial Selection Committee interview for MedMen, we understand only *one* now remains at MedMen. And of the *ten* individuals noted in MedMen's initial January 2019 application as "Owners" or "Key Staff", only *one* now remains.

And as to the CUP application itself, of the individuals named in MedMen's CUP application, only *one* now remains as a responsible party in the role stated in their CUP application.

Under the City's rules, MedMen was ostensibly selected as a "top six" applicant on the basis of the qualifications of these original "owners." (See Pasadena Municipal Code, § 5.78.080 C (1), (2).) Since then, almost all of these "owners" have been severed by MedMen or have resigned.

MedMen's CUP application should be denied in light of these circumstances and material changes.

(3) MedMen's CUP Application is Incomplete as neither the Map Radii nor the Radius Map was prepared by a Licensed Surveyor.

The Radius Map, which the Planning Department staff advised must be prepared by a licensed surveyor, and is the critical map that illustrates the 600 and 1,000 foot radius boundaries around the proposed cannabis retailer location, was not prepared by a licensed surveyor. MedMen's map was prepared by a mapping company. The certification attesting to the surveyor having prepared the map is noticeably absent. The map includes no attestation at all. In fact, the map appears to be nothing more than a map prepared by others. There is no certification or evidence that the Radius Map was prepared by a licensed surveyor.

¹ <https://www.bizjournals.com/losangeles/news/2020/01/31/medmen-co-founder-and-ceo-adam-bierman-to-step.html>

² <https://mjbizdaily.com/multistate-cannabis-operator-medmens-bierman-steps-down-as-ceo-gives-up-voting-control/>



For the reasons set forth herein, the Planning Commission must deny MedMen's CUP application for the proposed location at 536 South Fair Oaks Avenue.

Respectfully,

A handwritten signature in black ink, appearing to read "T. J. Dodd", with a long horizontal stroke extending to the right.

Timothy Dodd
Sweet Flower Pasadena, LLC
CEO/Co-Founder

EXHIBIT B

HdL[®] Companies

June 19, 2020

David Reyes
Director, Planning & Community Development Department, City of Pasadena
175 N. Garfield Ave.
Pasadena, CA 91101-1704

Re: Corporate Structure and Management of MME Pasadena Retail, Inc.

Dear Mr. Reyes,

The City of Pasadena (City) requested HdL Companies (HdL) review Sweet Flower Pasadena's complaint to the City and determine whether the ownership structure and management team have changed for any of the applicants since submission of the original applications. HdL reviewed MME Pasadena Retail, Inc.'s (MME Pasadena) corporate ownership structure and management team as listed in the original application and as currently stated and determined whether any change in ownership and/or management would have affected the application scoring.

HdL reviewed the original application and scorecard, Disclosure Pursuant to the City of Pasadena Taxpayer Protection Act (TPA), Conditional Use Permit (CUP) application, California Secretary of State filings, and MME Pasadena's response to the City on May 21, 2020 regarding changes in ownership structure.

ORIGINAL OWNERSHIP AND MANAGEMENT

The original application listed MM Enterprises USA, LLC (MM Enterprises) as the 100% owner of MME Pasadena but did not specify the ownership structure of MM Enterprises. Ownership forms were completed for ten individuals, including Adam Bierman (CEO) and Andrew Modlin (President). All individuals were listed as having 0% ownership of MME Pasadena.

The "Ownership Team" section of the business plan stated, "Andrew Modlin and Adam Bierman will be intimately involved in the day-to-day operations of MedMen Pasadena." The "Other Key Staff" section stated the remaining eight individuals would "offer instrumental guidance on MedMen's day-to-day operations..."

CURRENT OWNERSHIP AND MANAGEMENT

The May 21, 2020 response from MME Pasadena to the City indicated the business is still 100% owned by MM Enterprises. *Reference Exhibits A and B.*

The CUP Application contained a letter dated September 18, 2019, which listed five individuals from the original application who had since left the company. An L.A. Biz news article dated January 31, 2020 indicated Adam Bierman stepped down as CEO of MedMen Enterprises, Inc., effective February 1, 2020 and the CFO listed in the original application was replaced in October 2019. California Secretary of State filings and a TPA dated in March and April 2020 listed different individuals as CEO and CFO than the original application.

CONCLUSION

At the City's direction, HdL scored the applicant based on the experience, cannabis industry knowledge, and ownership team criteria outlined in Section 1: Qualifications of Owners/Operators.

Using the City's evaluation criteria, the score was based on MME Pasadena being a wholly owned subsidiary of MM Enterprises. According to the business' May 21, 2020 response to the City, that has not changed since the original application.

Using the City's evaluation criteria, the score was based in part on the statement that "Andrew Modlin and Adam Bierman will be intimately involved in the day-to-day operations of MedMen Pasadena." The scorecard also referenced the ten individuals listed on the ownership forms. Based on the documents and news article reviewed, at least seven of the ten individuals listed in the original application are no longer involved with the business, including the CEO, CFO, and COO. Had the original application listed a different management team, the application score may have been different.

Sincerely,

Matthew Eaton

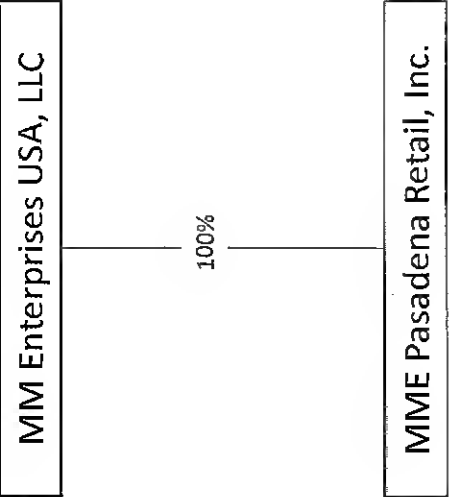
Matthew Eaton
Deputy Director of Compliance, HdL Companies

cc: Theresa Fuentes, Assistant City Attorney, City of Pasadena

**City of Pasadena
MME Pasadena Retail, Inc.
Exhibit A**

Data Sources Examined				
Secretary of State Filings	Cannabis Permit Application	State License Application (within Cannabis Permit Application file)	Responses to City's Request for Ownership and Management Changes	Conclusion
<p>Multiple dates</p> <p>01/10/2019 Articles of Incorporation of MME Pasadena Retail, Inc.</p> <p>03/11/2020 Statement of Information of MME Pasadena Retail, Inc.: - Ryan Lissack: CEO, Secretary, and Director. - Zeeshan Hyder: CFO.</p> <p>04/20/2020 Statement of Information of MME Pasadena Retail, Inc.: - Tom Lynch: CEO and Secretary. - Zeeshan Hyder: CFO and Director.</p>	N/A	N/A	<p>5/21/2020</p> <p>Letter to the City states "...there has been no change in equity ownership of the applicant at either point in time, or as of today. MME Pasadena is 100% owned by MME Enterprises USA, LLC. This was true in January 2019, September 2019, and today."</p>	<p>No change in ownership; per the letter to the City dated 5/21/2020, MME Pasadena Retail, LLC has always been 100% owned by MME Enterprises USA, LLC.</p> <p>Secretary of State filings dated in March 2020 and April 2020 listed different CEOs and CFOs than the original application.</p> <p>A letter dated 9/18/2019 within the CUP application stated five individuals listed as key staff within the original application are no longer with the company.</p> <p>L.A. Biz article dated 1/31/2020 indicated Adam Bierman stepped down as CEO of MedMen Enterprises, Inc. effective 2/1/2020 and Michael Kramer was replaced as CFO in October 2019.</p> <p>The scoring was based on the qualifications of Adam Bierman, Andrew Modlin, and other key staff, along with statements made regarding their involvement with the day-to-day operations of the business. Information shows that since the original application, at least 7 of the 10 individuals are no longer with the business. As such, it is possible the applicant would have been scored differently if other individuals had been listed on the original application.</p>

**Ownership Structure
Derived from Original Application**



**Ownership Structure
Derived from 5/21/2020 Letter to City**

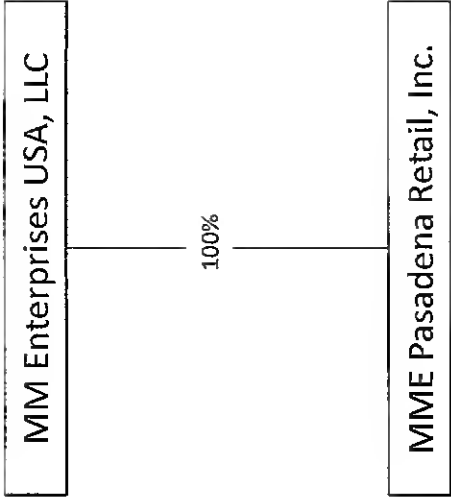


EXHIBIT C



June 30, 2020

Mr. Steven Mermell
City Manager
City of Pasadena
100 N. Garfield Avenue, Room S228
Pasadena, CA 91101

Dear Mr. Mermell:

This letter is furnished to the City of Pasadena ("City") and requests that the City investigate and consider the matters set forth herein pursuant to the **PROCEDURE FOR REVIEW OF CHANGE OF OWNERSHIP AND/OR MANAGEMENT OF CANNABIS BUSINESSES** (During Permitting Process Only) promulgated by the City Manager on June 18, 2020 (the "Review Rules").

The Review Rules state in relevant part:

"A change in ownership and/or management is not allowed and is considered material where it constitutes a "change of control." "Change of control" shall refer to a transaction whereby a new party acquires a beneficial ownership interest in applicant (or in an existing owner of a beneficial ownership interest in applicant), or a new party is identified as a manager of applicant, such that after such transaction there is a change of identity of the person or entity that has the power to direct or cause the direction of the management and policies of applicant, and therefore would have impacted the substantive scoring of the application such that a different outcome would have been likely." (emphasis added)

This letter sets out numerous changes in ownership and management by various applicants for Commercial Cannabis business permits in the City as reported by industry publications, business news outlets, and official corporate filing documents. All of these changes have taken place since the commencement of the selection process (i.e. January 1, 2019), and consistent with the terms of the Review Rules, we believe result in the rejection and/or revocation of the following applicants' Cannabis Retail License Applications. SweetFlower Pasadena, LLC hereby demands that the matters set forth below be investigated and that City provide a response as to how it intends to proceed in light of this information.

1. Integral Associates Dena, LLC ("Integral")

Integral's screening application received by the City in January 2019 identifies Integral as the applicant, owned by Integral Associates CA, LLC. Integral Associates CA, LLC was owned at the time 50% by GV Health Partners, LLC and 50% by KHOD Holdings, LLC. GV Health Partners, LLC was owned at the time by Brian Greenspun, who is listed as an owner in Integral's screening application. KHOD Holdings, LLC was owned at the time by father and son Alex Yemenidjian 50% and Armen Yemenidjian 50%, both of whom are listed

as owners in Integral's screening application¹. Integral's Articles of Association filed November 9, 2018 indicates that Integral is a one-manager-member LLC (that member is Integral Associates CA, LLC), and was filed by Armen Yemenidjian as organizer. Integral's application materials filed with the City of Pasadena indicate that at the time Armen Yemenidjian was CEO.

On June 5, 2019, the same day that the City announced the initial selection results of the cannabis screening application process, Green Thumb Industries Inc. ("GTI"), a large Canadian-traded cannabis company based in Chicago, IL, announced that it had acquired all of the ownership interests in Integral and related entities for \$290M, including, specifically, the ownership interests in Integral's and Integral Associates CA, LLC's then-owners, KHOD Holdings, LLC, previously owned by Armen Yemenidjian and Alex Yemenidjian, and GV Health Partners, LLC, previously owned by Mr. Greenspun^{2,3}.

Armen Yemenidjian wrote the next day, June 6, 2019, to Mr. Reyes of the City a letter stating that *"Everything in our application remains the same* as does the name of the applicant and licensee⁴" (emphasis added). We submit that Mr. Yemenidjian's representations are not correct.

On June 5, 2019, GTI became the sole owner of all of the indirect ownership interests in Integral.

Accordingly, as of June 5, 2019 GTI has been the entity with the power to direct or cause the direction of the management and policies of applicant. Thus, the representations in Integral's original application submitted to the City in January 2019 that Alex Yemenidjian, Armen Yemenidjian, and Mr. Greenspun are the owners of the applicant, were no longer true and correct. Indeed, neither GTI nor GTI's CEO Ben Kovler are listed in Integral's application as owners or control persons, or at all.

In his letter of June 6, 2019, Armen Yemenidjian went on to state to Mr. Reyes "...I will oversee all operations in Pasadena, maintain regular contact and communications with our local Board of Advisors, and fulfill all of our community benefits and commitments."

It is inconceivable how Mr. Yemenidjian's statement can be true because on April 6, 2020, GTI, the now new owner of the applicant, Integral, issued a press release stating:

"Armen Yemenidjian has stepped down from his role as President in order to spend more time with his family in Nevada. Yemenidjian will continue to work with [GTI] *for the next six months to ensure a smooth transition*, particularly focusing on Green Thumb's business in Nevada and California."⁵ (Emphasis added)

When Sweet Flower first raised these issues publicly, in April 2020, Integral's counsel, Richard McDonald, acknowledging the change of control, agreed "[Armen] Yemenidjian had stepped down from his role as president of Integral's parent company, Green Thumb Industries..." But he went on to add, "but he was still

¹ <https://www.cityofpasadena.net/wp-content/uploads/sites/30/Integral-Associates-DENA-LLC-Redacted-App.pdf?v=1593559758783>

² <https://www.globenewswire.com/news-release/2019/06/05/1864540/0/en/Green-Thumb-Industries-Inc-GTI-Closes-on-Acquisition-of-Integral-Associates-Scales-Brand-Distribution-in-Nevada-and-Enters-the-California-Retail-Market.html>

³ Pursuant to the terms of the Membership Interest Purchase Agreement by and among KHOD Holdings, LLC, GV Health Partners, LLC, Green Thumb Industries, Inc, and others, dated as of November 12, 2018, as such Membership Interest Purchase Agreement is publicly available on www.sedar.com

⁴ <https://www.cityofpasadena.net/wp-content/uploads/sites/30/1-Integral-Associates-Dena-LLC-6-6-19.pdf?v=1593105960792>

⁵ <https://www.globenewswire.com/news-release/2020/04/06/2012443/0/en/Green-Thumb-Industries-GTI-Announces-Resignation-of-Armen-Yemenidjian.html>

steering the ship at Integral.⁶ Mr. McDonald's statement is in direct contradiction to the statement issued by GTI, and moreover, is in direct contradiction with GTI's presentation of Armen Yemenidjian's current role.

Armen Yemenidjian has stepped down from any active control role at both GTI and Integral. Armen Yemenidjian is no longer listed on GTI's website, corporate presentations or any corporate materials or company filings in any capacity, whether related to GTI, Integral or under the brand name "Essence."⁷

As confirmation, the most recent Statement of Information filed for Integral with the Secretary of State on December 12, 2019 no longer lists Armen Yemenidjian as CEO⁸. GTI and GTI's CEO Ben Kovler now have the power to direct or cause the direction of the management and policies of the applicant, Integral.

Pursuant to the City's Review Rules, we submit that Integral has undergone a Change of Control, because a new party (GTI) has "acquire[d] a beneficial ownership interest in ... on existing owner [KHOD Holdings, GV Health Partners and Integral Associates CA, LLC] of a beneficial ownership interest in applicant," that has resulted in "a change of identity of the person or entity that has the power to direct or cause the direction of the management and policies of applicant," namely, Armen Yemenidjian, Alex Yemenidjian and Brian Greenspun have been replaced as the owners of Integral by GTI, and Armen Yemenidjian is no longer CEO; the management and policies of Integral are now under the direction of GTI and GTI's CEO, Ben Kovler.

For these reasons, Integral's application and CUP must be rejected/revoked and further licenses denied.

2. MedMen Pasadena Retail Inc. ("MedMen")

MedMen first identified its ownership and management in its January 2019 screening application⁹.

In MedMen's September 2019 CUP application¹⁰, MedMen's then-CEO, Adam Bierman, explicitly acknowledged to City staff that all of the following individuals, each previously listed as an "owner" in MedMen's original screening application, had since resigned from or been terminated by MedMen:

- former Senior Vice President of Human Resources, Clarence E. Foster
- former General Counsel, Lisa D. Sergi
- former Chief Operating Officer, Benjamin E. Cook
- former Chief Marketing Officer, David Dancer
- former Senior Vice President of Supply Chain, Ruchi Birdi

Since September 2019, the following individuals named in either MedMen's original application or purportedly later added by MedMen to its September CUP application have also resigned from or been terminated by MedMen:

- former Vice President of Compliance, Eduard Linetskiy
- former Chief Financial Officer, Michael Kramer

⁶ <https://www.pasadenastarnews.com/2020/05/01/pasadena-finds-new-speed-bumps-on-road-to-legal-cannabis/>

⁷ <https://investors.gtigrows.com/investors/leadership-and-governance/executive-team/default.aspx>

⁸ <https://businesssearch.sos.ca.gov/DocumentRetrievePDF?Id=201831310311-27359200>

⁹ <https://www.cityofpasadena.net/wp-content/uploads/sites/30/MME-Pasadena-Retail-Redacted-App.pdf?v=1593557670302>

¹⁰ <https://www.cityofpasadena.net/planning/wp-content/uploads/sites/30/MME-Electronic-Submission-Redacted.pdf?v=1593557670299>

Also named in MedMen's original application, then-President Andrew Modlin **no longer serves as President**, and, most notably, its **Chief Executive Officer Adam Bierman, has also since resigned**¹¹.

Based on publicly available information, there have been dramatic ownership and management changes at MedMen just in this year alone:

- Mr. Bierman and Mr. Modlin stepped down from their roles and surrendered their super-voting shares in MedMen, effective February 1, 2020¹²;
- Ryan Lissack, former CTO, was appointed interim CEO of MedMen, also effective February 1, 2020¹³;
- Mr. Lissack was subsequently replaced as interim CEO by Tom Lynch on March 30, 2020, and has since left MedMen;
- Also on March 30, 2020, MedMen announced a transaction whereby it issued in excess of 48 million share purchase warrants and other consideration to one of its lenders, Gotham Green Capital¹⁴;
- Mr. Modlin and Mr. Bierman were removed from the Board of Medmen entirely in June 2020; and
- That same day, MedMen settled a lawsuit with previous investors MMMG-MC Inc. (BVI), Brent Cox, Omar Mangalji, et al. pursuant to which Medmen issued 24 million voting shares in favor of these previous investors.¹⁵ On this last point, Forbes magazine states:

*"The lawsuits claimants, two of the company's largest outside investors, received enough shares to have a very strong say in what happens with what's left over."*¹⁶

None of Gotham Green Capital, its directors or officers, Tom Lynch, MedMen's current interim CEO, MMMG-MC Inc. (BVI), Brent Cox or Omar Mangalji, or any others involved in the ownership and management changes at MedMen since January 2019, were listed in MedMen's screening application.

Of the *ten* individuals noted in MedMen's initial January 2019 application as "Owners" or "Key Staff", **NONE** remain¹⁷.

Pursuant to the City's Review Rules, we submit that MedMen has undergone a Change of Control, because multiple new parties (at least Gotham Green Capital, MMMG-MC Inc. (BVI), Brent Cox, Omar Mangalji, among others) have successively acquired beneficial ownership interests in applicant while Adam Bierman and Andrew Modlin have resigned as CEO and President, respectively, and as Board members, of MedMen, and have surrendered their super-voting shares, and all other executives of MedMen who were listed as "owners" in MedMen's initial screening application have resigned or been terminated, all of which results in "a change of

¹¹ <https://mjbizdaily.com/multistate-cannabis-operator-medmens-bierman-steps-down-as-ceo-gives-up-voting-control/>

¹² <https://www.cannabisdispensarymag.com/article/adam-bierman-ceo-medmen-stepping-down-super-voting-shares/>

¹³ <https://www.bizjournals.com/losangeles/news/2020/01/31/medmen-co-founder-and-ceo-adam-bierman-to-step.html>

¹⁴ <https://investors.medmen.com/press-releases/press-release-details/2020/MedMen-Closes-Senior-Secured-Convertible-Financing-and-Provides-Additional-Corporate-Updates/default.aspx>

¹⁵ <https://www.businesswire.com/news/home/20200617005772/en/%C2%A0MedMen-Announces-Board-Directors-Resolution-MMMG-MC-Litigation>

¹⁶ <https://www.forbes.com/sites/chrisroberts/2020/06/19/medmens-failure-is-everything-wrong-with-legal-cannabis-and-is-only-the-first-company-to-implode/#2e4f0c77113c>

¹⁷ <https://www.medmen.com/who-we-are/#team>

identify of the person or entity that has the power to direct or cause the direction of the monagement and policies of applicant."

In addition, on June 19, MedMen's conditional license to operate a Medical Marijuana Dispensary in Staunton, Virginia was revoked by the Virginia Board of Pharmacy¹⁸. This revocation clearly violates Pasadena Municipal Code §5.78.100, which states:

"A person is prohibited from holding or maintaining a commercial cánnabis permit in the City of Pasadena if any of the following apply:

The applicant has been denied a permit or state license to engage in commercial cannabis activity, or has had a permit or state license to engage in commercial cannabis activity suspended and not reinstated, or revoked, by any city, county, city and county, or any other state cannabis licensing authority." *(We note that this section is NOT limited to Colifornio.)*

For these reasons, MedMen's application must be rejected/revoked and no other permits or licenses including a CUP, should issue.

SweetFlower demands that all of the matters set forth herein be fully investigated by the City, and further requests that the City provide a response as to how it intends to proceed with respect to each applicant.

Sincerely,



Timothy Dodd
CEO, Co-Founder
Sweet Flower Pasadena, LLC

¹⁸ <https://marketrealist.com/2020/06/mcdmens-medical-marijuana-dispensary-license-revoked-virginia/>

EXHIBIT D

PROCEDURE FOR REVIEW OF CHANGE OF OWNERSHIP
AND/OR MANAGEMENT OF CANNABIS BUSINESSES
(During Permitting Process Only)

These procedures are established pursuant to Pasadena Municipal Code ("PMC") Section 5.78.070, which gives the City Manager the authority to promulgate procedures to govern the application process and manner in which a decision will be made regarding issuance of any commercial cannabis permit.

These procedures are made necessary as a result of questions regarding whether commercial cannabis applicants evaluated during the selection process set forth in PMC Section 5.78.080 have experienced material changes in ownership and/or management such that the evaluation and scoring of particular applicants is no longer valid. The PMC does not expressly address a change in ownership and/or management, however a material change in either ownership or management during the permitting process would undermine the legislative intent in Section 5.78.080.C where qualities specific to both were evaluated and directly impacted the scoring and ranking of permittees as part of the selection process. Further, as a matter of equity to all applicants, a material change in ownership and/or management should be evaluated.

A change in ownership and/or management is not allowed and is considered material where it constitutes a "change of control." "Change of control" shall refer to a transaction whereby a new party acquires a beneficial ownership interest in applicant (or in an existing owner of a beneficial ownership interest in applicant), or a new party is identified as a manager of applicant, such that after such transaction there is a change of identify of the person or entity that has the power to direct or cause the direction of the management and policies of applicant, and therefore would have impacted the substantive scoring of the application such that a different outcome would have been likely. Factors to be considered include those set forth in PMC Section 5.78.080.C and 5.78.100.

Evaluation Process:

- The application materials regarding ownership and management submitted at the beginning of the permittee selection process shall be reviewed against potential evidence of a change of control promptly after receipt of such evidence.
- The City Manager shall promptly notify the applicant in writing if the change in ownership and/or management constitutes a change of control.
- The applicant shall have an opportunity to rebut such evidence, and/or offer evidence of no change of control within 10 days of written notice.
- If requested by the applicant, and within 5 days of such request, the City Manager shall conduct the review of all evidence in the presence of the applicant.

- Within 10 days of review of all evidence, the City Manager shall issue a decision in writing as to whether or not any change in ownership and/or management is a change of control and notify the applicant of such conclusion. If there was a change of control, the applicant shall lose the right to proceed through the cannabis permitting process and its application will be rejected.
- The decision of the City Manager shall be final and there shall be no appeal therefrom.
- The deadlines established herein may be extended on request of the applicant at the City Manager's sole discretion.

Issued by the City Manager on this date: June 18, 2020